

Features of a competence-based approach in public administration organizations of Latvia

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The organization's competence is the ability to solve tasks in a specific field by using stored knowledge and experience represented by workers, processes, infrastructure, culture, values and relationships (Merholz *et al.*, 2008, 119). They ensure a determined fulfilment of the mission of an organization by using the organization's resources in the most useful way.

To make effective use of the experience, knowledge and skills of every employee, their competencies get determined - indicators expressed through descriptions of actions which describe workers' skills, behaviour and attitude. Therefore employee's competence is the ability to make use of specific knowledge, skills, experience, conclusions and social bonds to solve certain tasks successfully as well as acquire knowledge and skills necessary in the future (Lane *et al.*, 2003). In the competence-based approach, when compared to classic human resource management, formally defined job responsibilities described in job descriptions are considered to be less important than the person's skills, abilities, actions and professional knowledge which is being used to complete tasks successfully or outstandingly. Personality traits as well as technical competence are an important part of the process of adjusting an organization and individuality (Kim, 2008).

The competence model is a listing of relevant competences for a certain job or job group with defined maximum and minimum levels of each competence as well as the defined competences' reciprocal importance for the specific job. It is a listing of relevant and necessary competences (personality traits, skills, abilities, crafts, knowledge) of the part which defines the advisable level of each competence that is necessary for successful solving of certain tasks (Kaplan & Norton, 2004, 231).

During the creation of an organization's strategy attention is paid to the production of a human resource development program (recruitment, learning and career development) - it forms the capital of an organization's human resources. Without attachment to the organization's strategy most human resource development programs try to satisfy the needs of all employees, and therefore those whose work is strategically significant for the organization do not get enough investment. By focusing expenses and development programs to a relatively small number of employees in the strategically significant job groups (usually less than 10% of the total number of employees) the organization can manage to pull forward faster and with smaller expenses.

Figure 1 shows two approaches for strategic human capital development.

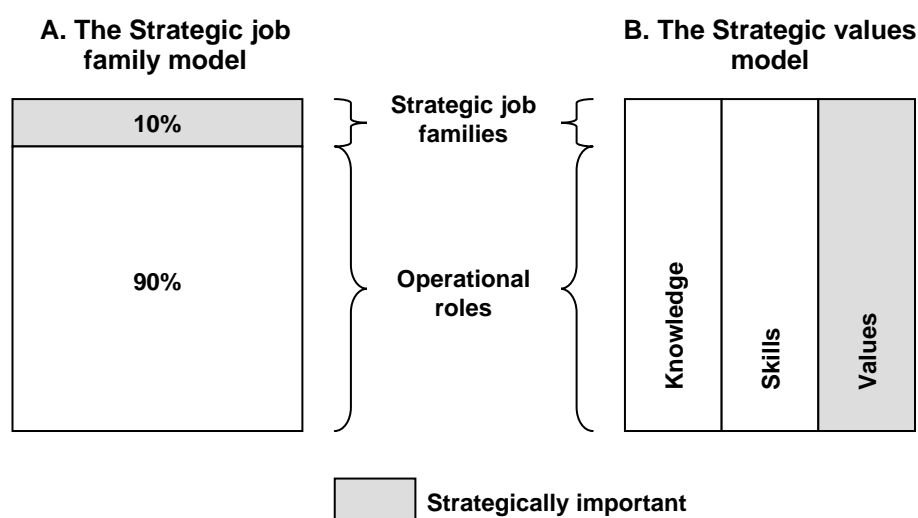


Figure 1. Models for Strategic Human Capital Development

Source: Kaplan & Norton, 2004, 231

In the strategic job family model, an organization focuses human resource development programs on several critical jobs that have a significant impact on the accomplishment of strategy, therefore ensuring a rapid process of actions and a rational spending of resources. However, this approach also describes up to 90% of employees as "non-strategic", and the organization might end up ignoring their reasonable need for development. The strategic value model holds a premise that the job of every worker is strategic - a strategy contains values and priorities which can be included in the goals and actions of every worker.

Generally both approaches are reasonable and necessary for the organization to be successful in establishing a strategy; both meet the demands of target group and can be used in practice with success. Progressive elimination of competence inadequacy in strategic job families can be a significant contribution to the increase of an organization's human resource qualification. The strategic value model provides a basis for an improved performance management program as well as definition of goals for other workers of the organization.

On grounds of the concept of public administration reform in Latvia a law was passed in 1994 called "Law on Civil Service", thus legally adjusting the status of public administration workers. Civil service positions were separated from political and worker positions, civil servants received higher demands as well as certain types of social security (benefits, grants etc.). The new law "On State Civil Service", passed in 2000, established common criteria for defining civil servants' positions in the public administration: a civil servant is a person who creates a sector's policy or a strategy for development within a public administration institution, coordinates activities within a sector, divides or controls financial resources, develops documentation of legal standards or controls the compliance of these legal standards, creates or passes administrative standards or creates or passes other decisions involving individual rights.

Hence the further development of human resource capital of the public administration of the Latvian Republic was created according to the strategic job family model, where strategic job families, classified by formal criteria included in the job description, incorporated 55-75% of the people employed in public administration institutions in the

following years. This approach allowed the creation of a unified system of civil servant position classification throughout the public administration, but it turned out to be ineffective from the strategic development of public administration human resource point of view - the range of employees the work of whom was defined as strategically important for the organization turned out to be too wide, and the development programs failed to embrace the needs of all these employees effectively enough.

During the period of 1993 - 2005 there was no unified human resource management procedure for the people employed in public administration institutions who did not receive the status of a civil servant, therefore the human resource development policy was only applied to a certain percentage of people employed in public administration institutions. Considering the small proportion of civil servants (approximately 15% of people employed in the public sector) it can be assured that the choice to organize human resource management towards a single small, although significant, group of employees has failed to promote the development of a single-goal oriented organization culture in the public sector.

After choosing an orientation to a significantly higher productivity and effectiveness as well as a qualitatively different inner value system in an organization and more determined actions, the search for a new, unified and strategically oriented solution began. Such solution is offered by a competence-based approach to human resource management which has gained popularity in the world and in Latvia in recent years because of its ability to offer qualitative changes in effectiveness throughout the work of the public sector (The State Chancellery, 2006).

In the competence-based approach, when compared to classic human resource management, more important than formally defined job responsibilities described in job descriptions are considered the person's skills, abilities, actions and professional knowledge which is being used to complete tasks successfully or outstandingly. By developing and using competence models it is possible to discover what kind of actions carried out by a worker ensure successful or outstanding completion of tasks; the development of these contributory traits, skills and knowledge becomes the focus of human resource management actions. (The State Chancellery, 2007)

A competence-based development of public administration human resources was based on a job classification system, created by identifying, describing and summarizing professional group functions found in the public sector (The Cabinet of Ministers, 2005b).

In the creation of a job classification system the main emphasis was put on making it possible to compare public administration work and job classification to the one used in the private sector, hence making it easier to plan wages, evaluate competitiveness and prevent the outflow of qualified public sector workers to the private sector as this would mean loss of the knowledge and experience gained in the public administration, resources invested in raising the workers' qualification, reduction of administrative capacity of public administration and a constant need to spend notable resources in personnel training (The Cabinet of Ministers, 2005a). Unfortunately the potential of the aforementioned job classification system regarding development of public administration's human resources and improvement of the personnel management system has not been fully embraced, the most important flaw being the fact that the strategically crucial competences of public civil service servants and public administration workers, which would raise the effectiveness of education and development programs

regarding all workers as well as ensure and increase the public sector's performance effectiveness, have not been identified and evaluated.

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